Personalised TV ads are the future – but is it time to panic?

You now have to be of a certain vintage to remember when television was just one box with a handful of channels competing for our attention. Now, of course, we’re in a world of YouTube, Netflix, Amazon Prime, Apple TV, BT Vision, Sky and all the rest. You can watch television when, where and how you want, over any number of platforms and providers. Traditional viewing [now represents](http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr15/) only 50% of total UK viewing in the crucial 16-24 age bracket. Video on demand, streaming and short-form clips make up the rest.

This change has been a huge challenge for television advertising. Slots have been traditionally bought and sold using numbers supplied by [BARB](http://www.barb.co.uk/), which monitors the television habits of a small sample of viewers in the UK and uses the data to estimate what the whole country has been watching.

But now that people no longer have to tune in at a specific time to catch a programme, this one-time gold standard has become blunt and out-dated. Instead sophisticated new audience data streams are becoming the order of the day. BARB itself talks about a “hybrid future” and [recently launched](http://www.barb.co.uk/project-dovetail) a new scheme to include data from online devices.

Set-top boxes are increasingly storing and sharing viewer data with advertisers. Broadcasters are gathering data on viewers when they sign up to their online players and services. ITV, which [relaunched](http://www.itvmedia.co.uk/news/welcoming-itv-hub/) its online ITV player as ITV Hub in November, has more than 11 million registered users, for example. Channel 4 meanwhile [replaced](http://www.channel4.com/info/press/news/channel-4s-new-all-4-service-launches) its 4OD platform with All4 in March. Users have to register their name, gender, date of birth and location; and the platforms also track which programmes they have watched and favourited. We might have thought we were the ones watching TV, but it turns out that the TV is now watching us.

**The Revolution will be televised**

All this new information can be collated to create highly targeted and personalised adverts. Earlier this month, Channel 4 used the [Future of TV Advertising conference](http://www.futuretvads.com/) in London to showcase the results of what it described as the “world’s first video ad personalisation”: its campaign to personalise Coke bottles in the summer of 2014.

The conference brought together senior advertising figures from around the world, including representatives from the likes of Facebook, Google and Twitter. Two buzzwords crept into every session and lunch conversation: “addressable” and “programmatic”. [Addressable advertising](http://adage.com/article/cmo-strategy/cmo-s-guide-addressable-tv-advertising/291728/) is about creating tailored adverts such as the Channel 4 examples from viewer information collated from set-top boxes, registration details, or cookie data from online search and shopping habits. [Programmatic advertising](https://econsultancy.com/blog/65677-a-super-accessible-beginner-s-guide-to-programmatic-buying-and-rtb/) is about automating the way in which ads like these are bought and sold. Together they are seen as a revolution in TV advertising.

A new emerging technology called [dynamic ad insertion](http://www.telestream.net/company/news/pdfs/Dynamic-Ad-Insertion-is-Here.pdf) is making these personalised adverts possible. It enables broadcasters to replace adverts in online programmes, whether live streams or video on demand. In other words, you may be watching the same episode of Channel 4’s [Grand Designs](http://www.channel4.com/programmes/grand-designs) as your neighbour but you’ll be watching different adverts during the show.

This means that cat food companies need only advertise to people who actually own a cat. Or car manufacturers need not advertise their products to people who can’t afford them. And dynamic ad insertion doesn’t need to stop at households: it can be device-specific, too. This means personalisation can pinpoint an individual instead of simply a family or group. Having said that, there will of course be limits. As a Unilever executive made clear at the conference, his company couldn’t afford to “create 25 different Dove ads” to appeal to different target audiences.

Time to switch off?

Should viewers be concerned about what is happening? Admittedly there is something unnerving about computers tracking our habits and creating a profile on us. But there is much more awareness now about data and privacy issues and that must be a good thing. In the UK, broadcasters are being open about how and when they’re using audience data – see Channel 4’s [Viewer Promise](http://www.channel4.com/4viewers/viewer-promise), for instance.

The reality is that television advertising is necessary to pay for quality programmes, so it’s not going away. And tailored advertising can benefit the viewer, too. It means that we’ll increasingly only see adverts that are relevant to us. Surely that’s a good thing for the viewing experience.